

Agenda Item No: 7
Report To: AUDIT COMMITTEE
Date: 15 MARCH 2016
Report Title: INTERNAL AUDIT PLAN 2016/17
Report Author: Rich Clarke



Summary:	The report sets out the detail of the proposed plan for Mid Kent Audit's work at Ashford BC during 2016/17, along with an outline plan for further years up to 2018/19. The plan is a development of the four year plan approved by this Committee in March 2015, updated for continuing risk assessment, discussions with officers and feedback from Members.
-----------------	--

Key Decision: No

Affected Wards: All

Recommendations:

- 1. The Committee APPROVES the Internal Audit Plan 2016/17**
- 2. The Committee NOTES the longer term plan to 2018/19The Committee NOTES the Head of Audit Partnership's view that the service is sufficiently resourced to deliver a Head of Audit Opinion..**

Policy Overview: Not Applicable

Financial Implications: Not Applicable

Risk Assessment No

EIA No

Other Implications: Not Applicable

Exemptions :

Background Papers: Internal Audit Plan 2016/17

Contacts: rich.clarke@midkent.gov.uk – Tel: (01233) 330442

Report Title: Internal Audit Plan 2016/17

Purpose of the Report

1. The report is provided in order to allow the Committee to consider and approve the Internal Audit Operational Plan 2016/17. It sets out the proposed audit work, comprising both assurance rated projects and other work, that the Audit Partnership intends to undertake to support work assessing the Council's internal control, risk management and corporate governance

Background

2. The Audit Committee must obtain assurance on the control environment of the organisation. Consequently, the Committee needs to have an awareness of the work conducted by Internal Audit, in order to adequately fulfil its duties.
3. The internal control environment comprises the whole network of systems and controls established to manage the Council, to ensure that its objectives are met. It includes financial and other controls, and arrangements for ensuring the Council is achieving value for money from its activities.

Risk Assessment

4. Not applicable.

Equalities Impact Assessment

5. There are no proposals made in the report that require an equalities impact assessment.

Other Options Considered

6. The Audit Committee as part of its terms of reference must maintain oversight of the internal audit function and its activities. The plan proposed aims to complete internal audit's responsibilities in an efficient and effective manner..

Consultation

7. All findings and recommendations identified within reviews are consulted on with the appropriate Head of Service and action plans are agreed with management to implement recommendations. This plan was developed in consultation with Heads of Service and other Managers across the last several months and in response to discussions over the course of the year. The plan was also shared in full with officers at the Audit Partnership's Shared Service Board meeting.

Implications Assessment

8. Not Applicable

Handling

9. Not Applicable

Conclusion

10. The report sets out the one-year operational plan for 2016/17 together with an update to the longer-term plan up to 2018/19 originally presented to this Committee in March 2015. We ask the Committee to review and approve the 2016/17 operational plan in note the longer-term plan. We also ask Members to note the Head of Audit Partnership's view that the Partnership has sufficient resources to deliver the plan. This final request arises from developments to Public Sector Internal Audit Standards during 2015/16 that require the Head of Audit to explicitly draw attention of Members to his assessment of the resources as his disposal.

Portfolio Holder's Views

11. The portfolio holder with responsibility for audit is a member of this Committee.

Contact: Rich Clarke Tel: (01233) 330442

Email: richard.clarke@ashford.gov.uk or rich.clarke@midkent.gov.uk

**Internal Audit Plan
2016/17 Operational Plan
and Strategic Plan Update**

Ashford Borough Council



Introduction

1. Internal audit is an independent and objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes¹.

2. Statutory authority for Internal Audit is within the Accounts and Audit Regulations 2015, specifically Regulation 5:

A relevant authority must undertake an effective internal audit to evaluate effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standards (PSIAS).

3. The Head of Audit Partnership is required by PSIAS standard 2450 to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The opinion takes into consideration:

- a) Internal Controls: Including financial and non-financial controls.
- b) Corporate governance: Including effectiveness of measures to counter fraud and corruption, and
- c) Risk Management: Principally, the effectiveness of the Council's risk management framework.

4. This document builds on our 4 year strategic plan presented to this Committee in March 2015, outlining the updates and adaptations we propose to ensure that the 2016/17 operational plan will support an accurate and reliable Head of Audit opinion and help the Council achieve its objectives. While the focus is on 2016/17, we have also made some consequential adaptations to the final two years of the plan which we will revisit in full and extend into 2020/21 as part of next year's planning.

¹ This is the definition of internal audit included within the Public Sector Internal Audit Standards

Basis of our plan: available resources

5. Last year we adapted the basis of our plan to move from seeking to deliver a set number of projects to a number of audit days. This move has enabled a much greater responsiveness and flexibility in how we deliver the audit resource. At Ashford in 2015/16 this helped enable us to support the Council in developing its risk management approach.
6. As noted in our mid year update in December 2015, during 2015/16 the Audit Partnership was restructured following the departure of a long-standing Audit Manager. The restructure has meant the team for 2016/17 can deliver more productive days. We achieve this through the addition of an audit team administrator role to free-up time for completing the plan, revision to the audit manager job description to enable more direct project and consulting work and continued development of the two trainee posts we created in 2015.
7. These changes have meant an increase across the Partnership in available productive days from 1,600 to 1,710, an increase of just under 7%. Given that the restructure occurred within the existing audit budget, this increase in productive days is at no additional cost.
8. In accordance with the principles of the Collaboration Agreement which governs the operation of the service, we divide these days between the authorities in line with their contribution to the service's budget, as per the table below:

Authority	Contribution to overall partnership budget	Audit Days Allocated 2016/17	Increase from days allocated 2015/16
Ashford BC	23%	395	+25
Maidstone BC	29%	500	+30
Swale BC	26%	440	+30
Tunbridge Wells BC	22%	375	+25
Total	100%	1,710	+110

9. Therefore the total audit allocation for Ashford BC in 2016/17 is **395 days**, an increase of 25 days from the 2015/16 level. Operational guidance on PSIAS 2030 (Resource Management) sets out a range of factors Heads of Audit must consider when evaluating whether the level of resource available is sufficient to fulfil responsibilities. We present that analysis on the following page and its conclusion that we are satisfied that the Audit Partnership has sufficient resources in both quantity and capability based on that risk assessment.
10. However, we must clarify that our audit plan cannot address all risks across the Council and represents our best deployment of what are inevitably limited audit resources. In approving the plan, the Audit Committee recognises this limitation. We will keep the Committee abreast of any changes in our assessment of resource requirement as we monitor the risks posed to the Council. In particular, we will revise this resource assessment afresh each year.

Audit Resource Evaluation 2016/17

Step	Question to consider	Response	Resource Indication
1	Did you have sufficient resource to complete your prior year plan?	Marginal under-delivery of the plan anticipated (97% completion forecast) due principally to in-year maternity vacancies and lost time from inducting new staff. Similar issues not anticipated for 2016/17 and so no immediate barrier known to completing the plan.	No change in audit resource for this year
Changes To The Organisation			
2	How has the size of the organisation changed?	No significant change.	No change in audit resource for this year
3	How has the complexity of the organisation changed?	Subsidiary companies increasing in activity, as well as changes and reorganisation at senior management level.	More audit resource needed this year
4	How has the risk appetite of the organisation changed?	While not formally documented, our risk workshops over the course of the year indicate the authority is increasingly willing to take on (or support) more ambitious projects to realise its Corporate Plan goals.	More audit resource needed this year
5	How has the risk profile of the organisation changed?	This greater ambition, coupled with the greater risks inherent in a challenging public sector environment with limited resources and expanding and diversifying responsibilities, suggests a greater risk profile.	More audit resource needed this year
6	How has the organisation's control environment changed?	Changes to income system in particular part of a general move to greater automation in controls. Consistently, audit reports on key controls record sound/strong assurance results.	Less audit resource needed this year
Changes To The Audit Service			
7	What was the outcome of the QAIP/EQA?	Full conformance.	No change in audit resource for this year
8	What changes have there been to audit professional standards & guidance?	Changes to standards on 2nd line of defence capabilities in particular point to a broader audit role if useful to authorities. May in future lead to additional or modified resource demand but no change at present.	No change in audit resource for this year
9	What efficiencies have there been within the audit service?	Continued bedding in of new audit approach and templates. Largely clearly backlog of 2013/14 and earlier recommendations for follow up.	Less audit resource needed this year

Audit Resource Evaluation 2016/17

Step	Question to consider	Response	Resource Indication
10	How have Board expectations of the audit service and its role changed?	Reduction in counter fraud role as responsibilities pass to Counter Fraud Team, but consultation with service managers shows range of projects/innovative areas where audit assurance input is valuable, especially in early stages of developing projects.	More audit resource needed this year
Overall Summary			
	What level of audit resource is needed compared to last year?	On balance, there is a greater need for audit resource in 2016/17 than 2015/16. Principally this is due to increase in the general risk environment, the Council's ambitions, and the level of personnel and service change it has undergone and will continue to undergo. Weighing against are continued efficiencies within the audit service, a reduced role in counter fraud and a consistently reliable control environment.	More audit resource needed this year
	Do you have sufficient resource to complete your audit plan?	I am confident that this plan delivers sufficient resources to support a reliable and comprehensive Head of Audit opinion at year end.	Yes

Resource evaluation in accordance with Standard 2030 on Resource Management

Basis of our plan: risk assessment

11. In compiling the four year strategic plan in 2015 we undertook a comprehensive evaluation of all areas of potential assurance need (the 'audit universe') and the risks and strategic priorities of the Council. It is not efficient to run that evaluation in full every year and so the 2016/17 planning has concentrated on adapting and evolving our understanding. We will undertake a more comprehensive review ahead of the 2017/18 audit plan, including a new four-year plan which will extend out to 2020/21.
12. What we have done for 2016/17 is an analysis of the projects and other audit work originally scheduled in the four-year plan we presented in March 2015 and considered their continuing relevance and utility to the Council based on our understanding of how its risks and priorities have developed. To form this analysis we have:
 - Considered the results of audit work conducted in 2015/16 (including non-project work ,follow-up of recommendations and work completed at other authorities),
 - Consulted widely with officers, including meeting individually with each Head of Service and presenting an earlier draft of this plan to the Council's s.151 Officer and management and
 - Reviewed the Council's strategic plan and risk documentation, including direct participation across the year at officer led risk workshops.
13. These steps stand in addition to our day-to-day work across the year in keeping plans flexible and responsive to new information and feedback from officers, Members and the broader environment the Council operates in.
14. The work identified for 2016/17 is set out on the following page, along with further notes of the ground we expect the review to cover (although specific audit scopes with be agreed with audit sponsors during engagement planning) and comments on any changes from the 2016/17 plan outlined in our 4 year strategic plan of Mach 2015.

2016/17 Operational Audit Plan

Project titles and descriptions	Plan Days	2016/17 Updates
Core Finance Reviews		
General Ledger Journals - To document process for managing GL journals and test key controls.	10	Retained per original plan but re-scoped from 15 day project to focus on journals
Payments - To document payment processes and test key controls..	15	Retained per original plan
Budgetary Control - To review and test processes in place for monitoring 2016/17 budgets and approving virements.	15	Retained per original plan
Bank Reconciliations - To review adequacy of the bank reconciliation process, in particular from new income management software.	10	Retained per original plan but link made to new income system
Payroll - To review any changes to the system and test key controls. Consider in particular self-service functionality.	10	Retained per original plan but shift focus slightly to include self service
Business Rates - To review any changes to the system and focus testing on recovery and write-offs	10	Retained per original plan
Council Tax - To review any changes to the system and focus testing on billing controls	10	Retained per original plan, slight reduction in days as narrowed focus
Corporate Governance Reviews		
Members' Allowances - To review compliance with the Members' Allowances scheme	15	Retained per original plan
ICT Network Controls - To review external assurances sought and gained by ICT and assess action on recommendations.	15	Re-scoped from original plan to maximise lessons from work elsewhere in Partnership.
Corporate Governance - To build on initial review in 2015/16 and consider the Council's arrangements for meeting the revised Corporate Governance Code applicable from 1 April 2016.	10	Retained per original plan
Counter Fraud Risk Assessment - To consider operation of the Counter Fraud Team against the CIPFA Counter Fraud Centre's risk assessment tool.	10	Addition to 16/17 plan consistent with revised roles of audit/CFT on counter fraud
Arms Length Companies - To review how the Council manages its interests in its wholly owned subsidiary companies.	15	Addition to 16/17 plan based on discussion with officers.
Operational Reviews		
Business Continuity Planning - To review adequacy of arrangements in line with statutory and other obligations	5 ¹	Retained from original plan
Housing Services Team - To review setup and operation of the housing services team	10	Original 16/17 project split into two, first part focussing on the team and its operation

Project titles and descriptions	Plan Days	2016/17 Updates
Housing Maintenance - <i>To review controls on scheduling and management of planned maintenance.</i>	10	Second part of project expanded and split from original plan
Customer Services - <i>To review work of the customer services team, particularly in the light of changes to location.</i>	15	Retained from original plan
Corporate Communications - <i>To review work of the communications team, particularly focussing on the use of social media.</i>	15	Retained from original plan
Arts & Cultural Industries - <i>To review delivery of the arts and culture strategy</i>	15	Retained from original plan
HR Policy Compliance - <i>To review effectiveness of measures to monitor and enforce compliance with HR policies (e.g. sickness absence)</i>	15	Retained from original plan
Equalities - <i>To review controls and processes for meeting legislative equalities obligations.</i>	15	Retained from original plan
Development Management - <i>To review processes and controls in place for planning enforcement.</i>	15	Retained from original plan
Appraisal System - <i>To review effectiveness of the revised staff appraisal system.</i>	15	Added to 16/17 plan based on discussion with officers and at Audit Committee.
Property Management - <i>To review operation of the service include income controls</i>	12	Added to 16/17 plan following deferral from 15/16 plan.
Elections & Registration - <i>To review implementation of individual elector registration and project management of elections.</i>	15	Added to 16/17 plan following deferral from 15/16 plan.
IT Development - <i>To review planning and prioritisation of development projects and change management within systems.</i>	15	Brought forward from 2018/19 following discussion with officers
Non-Project Work		
Audit Committee Support - <i>Attendance at, preparation and advice to Audit Committee and Members, including training and briefings</i>	6	Retained from original plan
Recommendation Follow-Up - <i>Consider implementation of audit recommendations as part of quarterly exercise.</i>	30	Reduced from 40 days originally, following working through of backlog
Risk Management Support - <i>To assist the Council in identifying and managing strategic and operational risks.</i>	20	Retained from original plan
Contingency - <i>To provide space for responses to risks arising in year, including requests for ad hoc advice or support</i>	22	Retained from original plan, increased aimed at delivering 5% contingency
Projects removed from 2016/17 Plans		
Corporate Projects Review	0	Moved from annual to biannual review after positive 15/16 findings across MKIP, will next run in 17/18.

Project titles and descriptions	Plan Days	2016/17 Updates
Homelessness	0	Work was brought forward into 15/16 at officer request
Performance Management	0	Moved to 17/18 to reflect new PM approach still in development during 16/17.
Insurance Provision	0	Moved to 17/18 to coincide with similar work elsewhere in the Partnership.
Counter Fraud Support	0	Removed from plan to reflect change in demand following established counter fraud team
Conservation Management	0	Removed from plan as area de-prioritised by authority.
Total Audit Days	395	

15. At Appendix A, we show this plan in place against the remainder of our strategic plan up to 2018/19. This includes a small number of consequential amendments to 2017/18 and 2018/19, particularly when work has been re-scheduled. We will re-consider those changes and set out further detail as part of our planning for 2017/18 and subsequent years.

Delivering audit work

16. The risk-based approach taken to forming the plan is integrated within our approach to individual projects. In addition to any specific objectives agreed with the audit sponsor at the time of drawing up the audit scope each project considers the strategies, risks and objectives relevant to the service area under review.
17. We will conduct each review in line with our standard audit methodology which is aligned to the Public Sector Internal Audit Standards. The roles and responsibilities for successful delivery of audit projects are set out also in our Audit Charter. An updated Charter for 2016/17 is also included on today's agenda and will be provided to every audit sponsor.
18. Each of these audit reviews will culminate in an assurance rated report, giving our view on whether the particular area is operating effectively. We will keep these rating levels consistent with our revised approach adopted first in 2014/15, with details of the assurance levels included as a reminder to Members in this report at appendix C.
19. We will also, where appropriate, make recommendations for improvement. These recommendations are graded as set out in appendix C and followed up by our audit team when due for implementation. Recommendations that we find have not been implemented where there is ongoing risk to the Council are reported in the first instance to the Council's Management Team. Also, Senior Managers responsible for services that consistently fail to address audit recommendations may be invited to provide further explanation to Members at the Audit Committee.
20. The plan also recognises the non-project work we deliver, using our experience and expertise to assist the Council in pursuit of its strategic priorities. We undertake this work in line with the arrangements set out in the Charter, in particular with those safeguards aimed at preserving our independence and objectivity.
21. Typically the non-project work will not result in an assurance graded output, but rather an alternative format relevant to the engagement and agreed with the work's sponsor. In any event, we will inform the Audit Committee of the outcomes of non-audit work through our interim and year end reports.

Monitoring delivery

22. We undertake our audit work against our standard audit approach, which has been assessed in our EQA as consistent with the PSIAS. In addition we adhere to the professional standards, roles and responsibilities as set out in the Charter.
23. As part of this approach we are careful to ensure the quality and consistency of our work. With respect to individual audit projects, each undergoes internal review focussing on each stage from compilation of the original brief, through completion of fieldwork and ultimately our reporting.
24. We undertake broader quality assurance of our work as detailed in our annual reports which include a full self assessment against the PSIAS.
25. Our service is also monitored each quarter by an Audit Shared Service Board; Ben Lockwood is Ashford's representative. The Board receives performance and financial monitoring reports on the progress of the service. The set of performance indicators against which we report are included at appendix D, and we also report outturn on these indicators to the Audit Committee twice a year.
26. We are also dedicated to continuing to develop and enhance the professional expertise and experience of our audit team. In 2016/17 we have three of the team studying for professional qualifications in addition to the five who gained qualifications in 2015/16. We include more details about the audit team and the work we will be undertaking in 2016/17 to support and enhance their development within appendix B.

Appendix A: Ashford Borough Council: Updated Strategic Plan

Core Finance & Corporate Governance Reviews

Service	Audit Project	Pre 2016/17	2016/17	2017/18	2018/19
Core Financial Systems			80 days 7 reviews	77 days 6 reviews	80 days 7 reviews
Finance	General Ledger	13/14, 15/16	10	10	10
Finance	Payments & Receipts	12/13, 14/15, 15/16	15	15	15
Finance	Procurement	12/13, 15/16			10
Finance	Budget Management		15		10
Finance	Bank/Treasury	13/14	10		15
Finance	Rent Accounting	14/15		15	
Finance	Business Rates	12/13, 14/15	10		10
Finance	Council Tax	12/13, 14/15	10	10	
Finance	Housing Benefits	13/14, 14/15		15	
Organisational Development	Payroll	12/13, 13/14, 15/16	10	12	10
Corporate Governance			70 days 6 reviews	60 days 5 reviews	55 days 5 reviews
Finance	Counter Fraud Risk Assessment		10		
Health, Parking & Com Safety	Safeguarding	15/16			10
Legal & Democratic Services	Freedom of Information	15/16			10
Legal & Democratic Services	Data Protection	15/16			15
Legal & Democratic Services	Arms Length Companies		15		
Legal & Democratic Services	Members' Allowances		15		
Legal & Democratic Services	Register of Interests	14/15			15
Organisational Development	Business Continuity (ABC/SBC)	13/14, 14/15	5	15	
Organisational Development	ICT Controls and Access		15		
Policy & Performance	Corporate Governance	15/16	10	5	5
Policy & Performance	Performance Management			15	
Policy & Performance	Risk Management			15	
Property & Projects	Corporate Projects Review	15/16		10	

Operational Reviews

Service	Audit Project	Pre-2016/17	2016/17	2017/18	2018/19
Operational Reviews			167 days 12 reviews	185 days 14 reviews	165 days 12 reviews
Cultural Services	Art & Cultural Industries		15		
Cultural Services	Leisure Partnerships	12/13		15	
Cultural Services	Tourism	15/16			
Development Delivery	Development Management		15		
Development Delivery	Developer Contributions	12/13			20
Development Delivery	Building Control	13/14			10
Environment & Customer	Customer Services		15		
Environment & Customer	Environmental Health			15	
Environment & Customer	Grounds Maintenance			15	
Environment & Customer	Waste Collection (ABC/MBC/SBC)	13/14		10	
Environment & Customer	Street Cleansing	15/16			
Environment & Customer	Animal Control	12/13			10
Environment & Customer	Pest Control	13/14			10
Environment & Customer	Waste Management				15
Environmental & Customer	Cemeteries	14/15		10	
Finance	Insurance Provision			15	
Finance	VAT Management	13/14		10	
Health, Parking & Safety	CCTV & Community Safety	12/13		15	
Health, Parking & Safety	Parking	12/13, 13/14, 15/16			15
Health, Parking & Safety	Licensing	14/15			15
Housing	Housing Maintenance	13/14, 14/15	10	10	
Housing	Housing Services Team		10		
Housing	Homelessness	12/13, 13/14, 15/16			15
Legal & Democratic	Elections & Registration		15		10
Legal & Democratic	Democratic Services	12/13, 15/16			
Legal & Democratic	Legal Services				15

Service	Audit Project	Pre-2016/17	2016/17	2017/18	2018/19
Operational Reviews			167 days 12 reviews	185 days 14 reviews	165 days 12 reviews
Organisational Development	Corporate Communications		15		
Organisational Development	IT Development	12/13	15		
Organisational Development	Policy Compliance	13/14	15		
Organisational Development	Appraisal System		15		
Organisational Development	Change Management			15	
Organisational Development	Health & Safety	13/14		15	
Organisational Development	GIS	14/15		10	
Organisational Development	Technical Support	15/16			
Organisational Development	Training & Development	15/16			
Organisational Development	Recruitment				15
Planning Policy	Economic Development	14/15		15	
Policy & Performance	Equalities		15		
Property & Projects	Project Office	14/15		15	
Property & Projects	Property Management	14/15, 15/16			15
Strategic Sites	Property Management		12		

Prior year work column looks back over the past four years, so does not note audit coverage before 2011/12.

Audit projects noting more than one client (e.g. ABC/SBC) are reviews of services delivered in partnership. In such instances our work is co-funded between the partners' audit plans and the audit output will be made available to all on the same basis.

Precise timings of work within a given year will be subject to negotiation with individual audit sponsors.

Non-Project Work

Service	Audit Project	Pre-2015/16	2016/17	2017/18	2018/19
Risk Management			20 days	20 days	20 days
Policy & Performance	Risk Management Support	n/a	20	20	20
Audit Follow Ups			30 days	30 days	30 days
Various	Quarterly follow up exercise		30	30	30
Consultancy and other work			28 days	23 days	95 days
Legal & Democratic	Supporting Audit Committee		6	6	6
Various	Contingency/consultancy		22	17	39

Overall Summary

Work Type	2016/17	2017/18	2018/19
Audit Work (leading to assurance rating)	317 days 25 reviews	322 days 26 reviews	300 days 23 reviews
Core Financial Systems	80	77	80
Corporate Governance	70	60	55
Service Reviews	167	185	165
Non Audit Work (unrated reporting)	78 days	73 days	95 days
Risk Management	20	20	20
Audit Follow Up	30	30	30
Consultancy/Contingency	28	23	45
Total Audit Resources Available	395 days	395 days	395 days

Appendix B: Mid Kent Audit Team

Management

Rich Clarke CPFA ACFS (Head of Audit Partnership): Rich became head of the audit partnership on 1 April 2014 joining the partnership from KPMG, where he had a range of internal and external audit clients across the public sector including LB Islington, Woking BC, East Kent Hospitals University NHS Trust, the Foreign and Commonwealth Office and the Civil Aviation Authority. Rich is a Chartered Accountant (CPFA) and during 2015 undertook and passed further study to become an Accredited Counter Fraud Specialist (ACFS).

Russell Heppleston CMIIA (Deputy Head of Audit Partnership): Russell started working for the Maidstone / Ashford partnership in November 2005, and continued his role as Auditor for the Mid Kent Audit Service when it was established in 2010. He progressed through professional qualifications with the Institute of Internal Auditors (IIA) to achieve both Practitioner and Chartered member status. Having been appointed as Audit Manager for Swale and Maidstone in 2013, Russell was subsequently appointed as Deputy Head of Audit Partnership in the 2015 restructure. During 2016/17 Russell will be studying to achieve accreditation with the Institute of Risk Management.

Frankie Smith CMIIA (Audit Manager – Swale & Tunbridge Wells): Frankie Smith started her career in Internal Audit at Kent County Council in 2001 as a Trainee Auditor. In December 2001 she was appointed to the role of Auditor at Maidstone Borough Council. Over the last 15 years she has completed audits at Ashford, Maidstone, Swale and Tunbridge Wells and became fully CMIIA qualified in August 2015. Frankie was appointed to the role of Audit Manager for Swale and Tunbridge Wells in August 2015.

Alison Blake ACCA, CIRM (Audit Manager – Ashford & Maidstone): Alison joined the internal audit partnership in 2012. Prior to this Alison worked for South Coast Audit for 7 years where she undertook internal audit work across a range of NHS clients in East Kent. During Alison's career she has completed a wide range of audit work including finance, information governance and risk management, system reviews and reviews of compliance with legislation with the aim of working with the client to help them achieve their objectives and the objectives of the organisation as a whole. Following Alison's recent return from maternity leave she takes on the role of Audit Manager for Ashford and Maidstone.

Auditors & Senior Auditors

Mark Goodwin (Senior Auditor): Mark joined Ashford Borough Council in January 1999 having previously worked at Maidstone Borough Council in an audit role. He was a founder member of the Ashford and Maidstone Internal Audit Partnership before this developed into the four-way Mid Kent Audit Partnership in April 2010. He is an experienced auditor who has audited extensively the full spectrum of Council services and activities across a number of local authorities.

Claire Walker (Senior Auditor): Claire joined the audit partnership in September 2010, and has wide experience in a variety of sectors and bodies; Local and Central Government, Arts, Broadcasting, Financial Services, NGOs & Not For Profit Sector (domestic & foreign), also Lottery Fund distribution QUANGOS (New Opportunities Fund, Big Lottery Fund, Millennium, Commission, Olympic Delivery Agency, Heritage Lottery Fund, and Sport England) and the associated grant making programmes (in house and outsourced grant administered programmes). Claire delivered some training & mentoring projects for the FCO, DFID and the World Bank in addition to work on European Social Fund projects. Within Local Government Claire has undertaken a wide range of audits with a focus on legal compliance, contracts and governance arrangements. Other audit experience covers outsourcing functions, due diligence, and fraud investigations.

Jo Herrington PIIA (Senior Auditor): Jo joined the audit partnership on 30 September 2013. She joined the partnership from Gravesham BC, where she worked for nearly nine years. She gained experience of working in the Finance department and the Revenues department before settling in the Internal Audit team in September 2009, who operated a shared management arrangement with Tonbridge & Malling BC. As part of the Internal Audit team she gained broad experience conducting financial and operational audit reviews, as well as being involved in working groups across the authority. Jo was promoted to the position of Senior Auditor during the 2015 restructure.

Jen Warrillow PIIA (Senior Auditor): Jen joined Mid Kent Audit in September 2013 from Kent County Council where she trained as an Internal Auditor. In 2015, Jen completed study for Practitioner of the Institute of Internal Auditors status. At KCC Jen undertook a wide range of audits including financial, governance and grant funding internally for the Council and externally for Parish Councils. Previous to joining KCC, Jen worked as an investigator for Swale BC and then Tonbridge & Malling BC. Jen was promoted to the position of Senior Auditor during the 2015 restructure. Jen is currently on maternity leave, scheduled to return to the team in July 2016.

Paul Goodwin AAT (Auditor): Paul has been employed by Tunbridge Wells Borough Council for over 26 years of which nearly all has been in Internal Audit. Paul is a qualified Accounting Technician.

Andy Billingham (Auditor): Andy joined the Partnership on 7 December 2015. He had previously worked for Swale Borough Council for 10 years within the Revenues and Benefits department gaining extensive knowledge of local government processes and procedures whilst dealing with complex disputes and representing the authority at Tribunals. Andy holds a degree in History as well as an Institute of Revenue Rating and Valuation qualification

Trainee Auditors & Others

Ben Davis (Trainee Auditor): Ben joined the team in March 2015 as a trainee auditor. He holds a degree in Modern History from UEA and has previous experience in finance teams in the private and voluntary sectors. Ben began training towards achieving a professional qualification through the Chartered Institute of Public Finance and Accountancy (CIPFA) and was successful in passing the first stage of the qualification in December 2015.

Helen Pike (Trainee Auditor): Helen joined the audit team in July 2015 as a trainee auditor. Her previous work experience is extensive and incorporates spells in occupations as diverse as TV programme scheduling and emergency ambulance despatch but joined us most recently from the finance and administration team of the Kent Institute for the Blind. Helen has recently embarked on studying for the Institute of Internal Audit Professional Certificate as the first step towards becoming a Chartered Internal Auditor (CIA).

Louise Taylor (Audit Team Administrator): The Audit Partnership restructure in 2015 created the role of audit team administrator to assist the team in various tasks including monitoring performance management, archiving our reports and managing our audit software. Following a trial period, this post was taken by Louise who had previously worked in the Planning department of Maidstone Borough Council and has extensive experience working with local authorities.

We also have facility within the audit service to seek and deploy additional specialist resource depending on the needs of the service and of our local authority partners.

Appendix C: Assurance and Recommendation Ratings

Assurance Ratings 2016/17 (unchanged from 2014/15 and 2015/16)

Full Definition	Short Description
<p>Strong – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.</p>	<p>Service/system is performing well</p>
<p>Sound – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</p>	<p>Service/system is operating effectively</p>
<p>Weak – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</p>	<p>Service/system requires support to consistently operate effectively</p>
<p>Poor – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</p>	<p>Service/system is not operating effectively</p>

Recommendation Ratings 2016/17 (unchanged from 2014/15 and 2015/16)

Priority 1 (Critical) – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

Priority 2 (High) – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council’s aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

Priority 3 (Medium) – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

Priority 4 (Low) – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

Advisory – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.

Appendix D: Performance Indicators

Area	Ref	Indicator
Finance	F1	Cost per audit day
	F2	Audits completed on budget
	F3	Chargeable days
Internal Process	I1	Full PSIAS conformance
	I2	Audits completed on time
	I3	Draft reports on time
Customer	C1	Satisfaction with assurance
	C2	Final reports on time
	C3	Satisfaction with conduct
Learning & Developing	L1	Implemented recommendations
	L2	Training plan achieved
	L3	Satisfaction with skills